



Agenda Date: 2/14/01

Agenda Item: 7A

STATE OF NEW JERSEY

Board of Public Utilities

*Two Gateway Center
Newark, NJ 07102*

CABLE TELEVISION

IN THE MATTERS OF TKR CABLE COMPANY)
OF WILDWOOD, INC. FILINGS OF FCC)
FORMS 393, 1200, 1210 AND 1240 AND THE)
GLOBAL SETTLEMENT OF SAID FILINGS,)
THE APPROVAL OF THE RESTRUCTURING)
OF THE CURRENT CHANNEL LINE-UP AND)
THE ESTABLISHMENT OF THE MAXIMUM)
PERMITTED RATES)

ORDER ADOPTING
GLOBAL SETTLEMENT

DOCKET NOS.

CR93090351 CR94060263
CR94070297 CR94100495
CR95010035 CR96030179 (1240)
CR97030155 CR98030109
CR99020083 CR99020084

(SERVICE LIST ATTACHED)

BY THE BOARD:

On various dates since 1993, TKR Cable Company of Wildwood, Inc. ("TKR"), TCI Atlantic, Inc. ("TCI") and AT&T Broadband ("AT&T") each filed certain Federal Communications Commission ("FCC") forms in separate dockets with the Board of Public Utilities ("Board") which set forth adjustments to basic service rates. The Board is the local franchising authority in New Jersey and is certified to regulate basic service rates pursuant to 47 C.F.R. § 76.900 *et seq.*

In 1996, the ownership of all outstanding shares of stock of TKR Cable Company of Wildwood, Inc., the corporate entity owning the Wildwood system, was transferred from TKR to TCI, an indirectly wholly-owned subsidiary of Telecommunications, Inc., all of the shares of stock which, in turn, were effectively acquired by AT&T Corporation in 1999.

Even though some of the above-referenced matters were transmitted and heard at the Office of Administrative Law, due to on-going disputes regarding long-standing complex issues and also because of protracted appeals before the FCC, these dockets are still pending before the Board.

On November 22, 2000, Comcast Cable Communications, Inc. ("Comcast") and AT&T jointly filed a petition seeking Board approval to allow the transfer of the Wildwood system, including the assets, certificates of approval and authority to operate, to Comcast in exchange for certain AT&T stock currently owned by Comcast.

After numerous fact finding discussions, conferences, rate proceedings and data requests, AT&T, Comcast, the Division of the Ratepayer Advocate ("Ratepayer"), and Staff of the Board

("Staff") (collectively "the Parties") agreed to a global settlement, which resolves the pertinent issues in all of the above-referenced docketed matters.

The settlement provides for a restructuring of the existing basic service tier in the Wildwood system. Under the restructuring, AT&T will establish two (2) separate tiers of service: a limited basic service or B1 tier, which shall initially be comprised of 20 channels at a monthly rate of \$10.00, excluding franchise and regulatory fees; and an expanded basic service or B2 tier, which shall initially be comprised of 28 channels at a monthly rate of \$16.07, excluding franchise fees. The channels initially to be included in the newly established B1 and B2 tiers are set forth on Exhibit 1 of the Stipulation of Settlement. In addition, AT&T, on or about February 6, 2001, individually notified the Wildwood system subscribers of the proposed restructuring and their ability to select either the B1 tier only or both B1 and B2 tiers.

AT&T also notified its customers of the 1999 rate changes by way of newspaper announcements informing them of their opportunity to submit written comments to the Board for a period of thirty days. The notice appeared in The Press of Atlantic City on January 13, 2000. Letters on behalf of the Ratepayer, received on January 13 and 31, 2000, waived notice for the prior dockets since the rates had been implemented, superseded by subsequent adjustments and the ratepayers' interests and ability to comment were sufficiently protected with the 1999 notices.

On January 23, 2001, the parties entered into a Stipulation of Settlement, which: (1) resolved the above-referenced docketed matters; (2) resulted in an agreement to restructure the current channel line-up; and (3) established the initial maximum permitted rates for the B1 and B2 tiers.

After review, the Board FINDS that the Stipulation of Settlement is reasonable, not contrary to the public interest and in accordance with the law. Therefore, the Board HEREBY ADOPTS the Stipulation of Settlement (attached hereto) as its own, incorporating by reference the terms and conditions therein as if fully set forth at length herein.

The Board HEREBY ORDERS AT&T to issue refunds due its subscribers in the Wildwood system pursuant to the Stipulation of Settlement with sixty (60) days of the date of this Order, and AT&T or its successor to inform subscribers of the reason for the refunds. Said refunds shall be denominated "BPU Refund" on subscribers' bills.

AT&T, or its successor, within ten (10) days of the final payment of refunds to subscribers, is FURTHER ORDERED to notify the Board and its Office of Cable Television in writing of the date(s) the refunds were paid, the amounts refunded and certify that the refunds have been completed.

The Board HEREBY MODIFIES the provisions of any prior Orders that are inconsistent with the terms of the Stipulation of Settlement to comport with the agreement to the extent that such provisions apply to the Wildwood system.

DATED: February 14, 2001

BOARD OF PUBLIC UTILITIES
BY:

(signed)

HERBERT H. TATE
PRESIDENT

(signed)

FREDERICK F. BUTLER
COMMISSIONER

Having been sworn in as Acting Commissioner on February 13, 2001, I have not had an adequate opportunity to review this matter prior to the Board's February 14, 2001 agenda meeting, and I therefore abstain from rendering a decision.

(signed)

CAROL J. MURPHY
ACTING COMMISSIONER

ATTEST:

(signed)

FRANCES L. SMITH
SECRETARY

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FILINGS OF FCC FORMS 393,1200,1210 AND 1240
AND THE GLOBAL SETTLEMENT OF SAID FILINGS,
THE APPROVAL OF THE RESTRUCTURING OF THE
CURRENT CHANNEL LINE-UP AND THE
ESTABLISHMENT OF THE MAXIMUM PERMITTED RATES

DOCKET NUMBERS:

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